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January 2, 2014

## BY FEDERAL EXPRESS

Alisa Carrow Bentley, Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

**RE: In the Matter of the Application of Chesapeake Utilities Corporation for  
Approval of Changes to the Transportation and Balancing Rider and the Gas  
Supplier Schedule of its Tariff (Filed October 1, 2013)**

**PSC Docket No. 13-383**

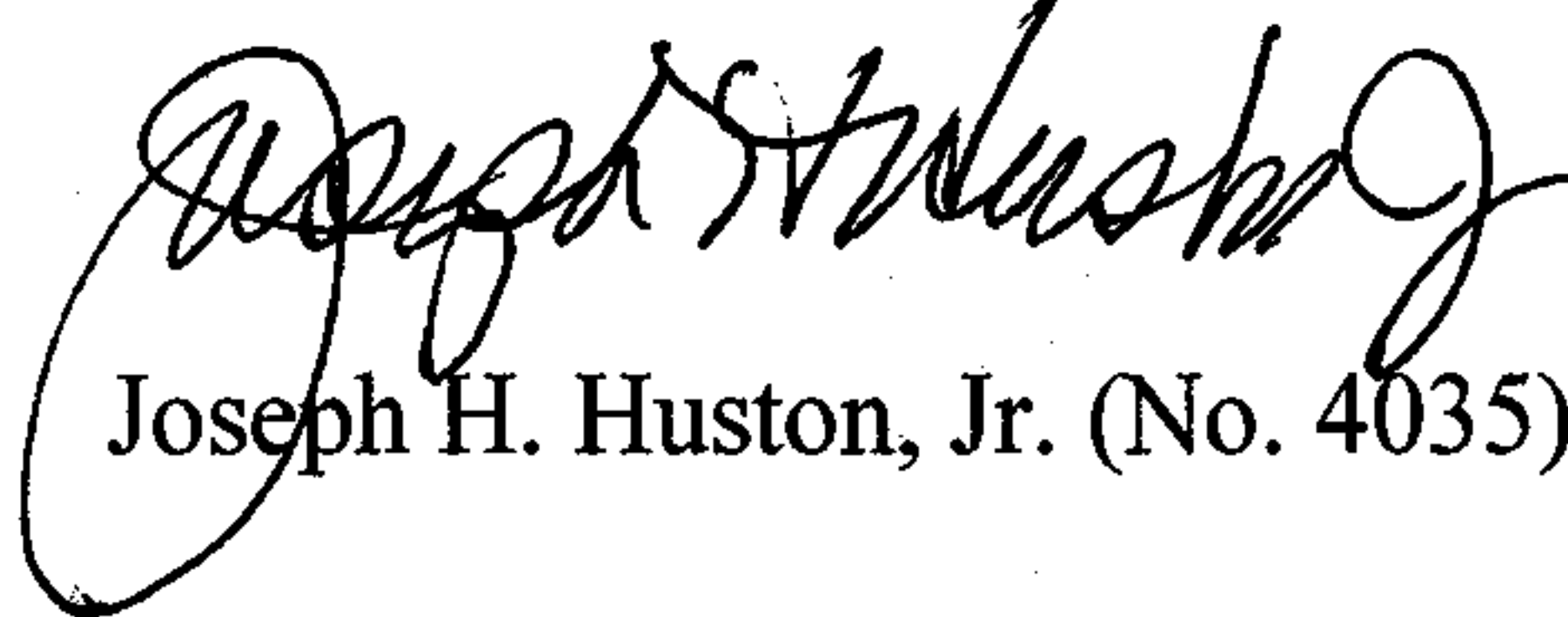
Dear Ms. Carrow Bentley:

Enclosed for filing please find an original and ten copies of the Comments of Washington Gas Energy Services, Inc. (WGES) in the captioned docket.

If you have any question, we are available at the Commission's convenience, of course.

Respectfully yours,

STEVENS & LEE



Joseph H. Huston, Jr. (No. 4035)

Enclosures

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Dr.  
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**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF )  
CHESAPEAKE UTILITIES CORPORATION )  
FOR APPROVAL OF CHANGES TO )  
TRANSPORTATION AND BALANCING )  
RIDER AND THE GAS SUPPLIER SCHEDULE )  
OF ITS TARIFF (FILED OCTOBER 1, 2013) )

PSC Docket No. 13-383

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**COMMENTS OF  
WASHINGTON GAS ENERGY SERVICES, INC.**

Pursuant to Order No. 8481 issued November 5, 2013 establishing the above-captioned docket and directing Commission Staff to investigate an Application of Chesapeake Utilities Corporation ("Chesapeake") to make changes to the Transportation and Balancing Rider ("Transportation Rider") and Rate Schedule "SUP" ("Gas Supplier Schedule") of its Tariff ("Application"), Public Notice of such Application, and the Commission's Rules of Practice and Procedure, 26 Del. Admin. C. §1001-2.9, Washington Gas Energy Services, Inc. ("WGES") hereby files these Comments.<sup>1</sup>

Chesapeake filed an Application on October 1, 2013 to modify its Tariff to establish a new, revised allocation of upstream pipeline capacity that it currently holds to serve its firm residential and commercial customers.<sup>2</sup> In particular, Chesapeake seeks authority from the Commission to require transportation customers to purchase upstream capacity from the Company for the first time, effective on April 1, 2015.

WGES objects to Chesapeake's Application and intends to participate in the workshops that Staff will schedule with interested Parties, Intervenors and the Delaware

<sup>1</sup> WGES has filed a petition to intervene in the above-captioned docket and intends to file motions for admission pro hac vice for the undersigned counsel in that petition.

<sup>2</sup> Chesapeake's Application was filed pursuant to Paragraph 13 of a Proposed Settlement Agreement adopted by the Commission in Order No. 8483, August 13, 2013, PSC Docket No. 12-450F.

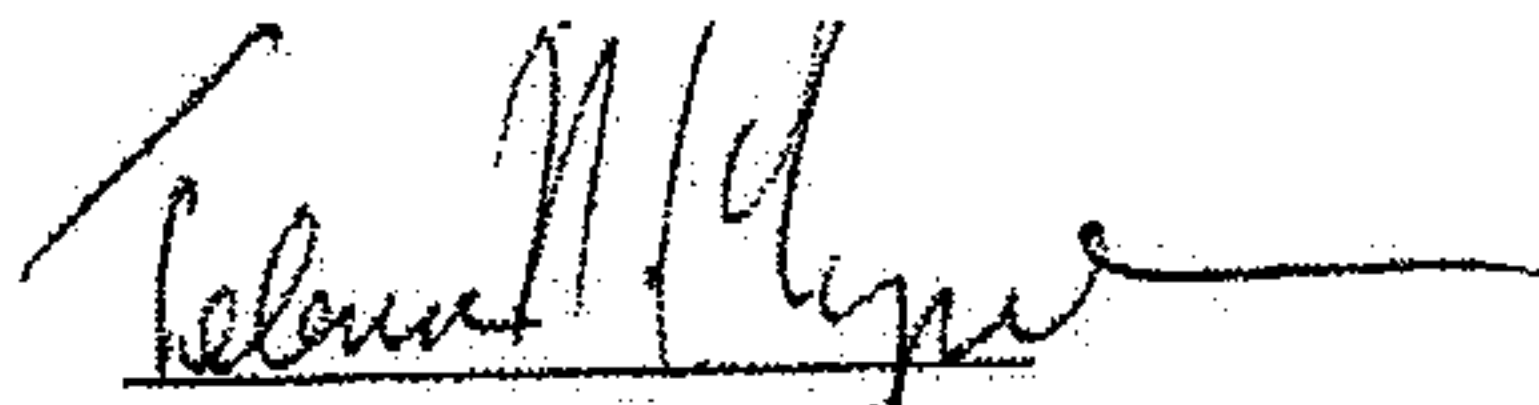
Public Advocate (DPA), and to provide input to the Staff Report to the Commission detailing recommendations regarding Chesapeake's proposed changes to its Transportation Rider and Gas Supplier Schedule ("Rider"). It is not clear at this time if there will be a need for formal proceedings to resolve the issues.

WGES currently serves large and intermediate industrial and commercial customers who are transportation customers under Chesapeake's Rider. These customers will be directly affected by Chesapeake's proposed changes to its Tariff. Chesapeake offers scant justification for assigning upstream pipeline capacity to its transportation customers that it claims it no longer needs for its firm sales customers. The transportation customers clearly have had no need of and continue to have no need of that capacity to contract directly for supply service from retail suppliers. The upstream portion of transportation customers' needs has always been supplied by the marketer, and there was no need for Chesapeake to contract for incremental capacity in order to serve transportation customers. WGES is aware that recently Chesapeake increased its contract for upstream capacity on Texas Eastern Pipeline Company ("Tetco"), but this capacity should have been added only if needed for the firm sales customers and not for transportation customers.

Simply put, Chesapeake is attempting to saddle its transportation customers with contracted upstream pipeline capacity for which they did not have and continue not to have a need. If the capacity was contracted to serve firm residential and small commercial customers and is now stranded, Chesapeake should seek recovery of such costs as stranded costs. Otherwise, Chesapeake's proposal will destroy the competitive gas supply market in Delaware and deny access to achieve energy savings and choices.

WHEREFORE, WGES respectfully requests that the Commission grant this petition to intervene.

Respectfully submitted,



Telemac N. Chryssikos

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December 31, 2013



**CERTIFICATE OF SERVICE**

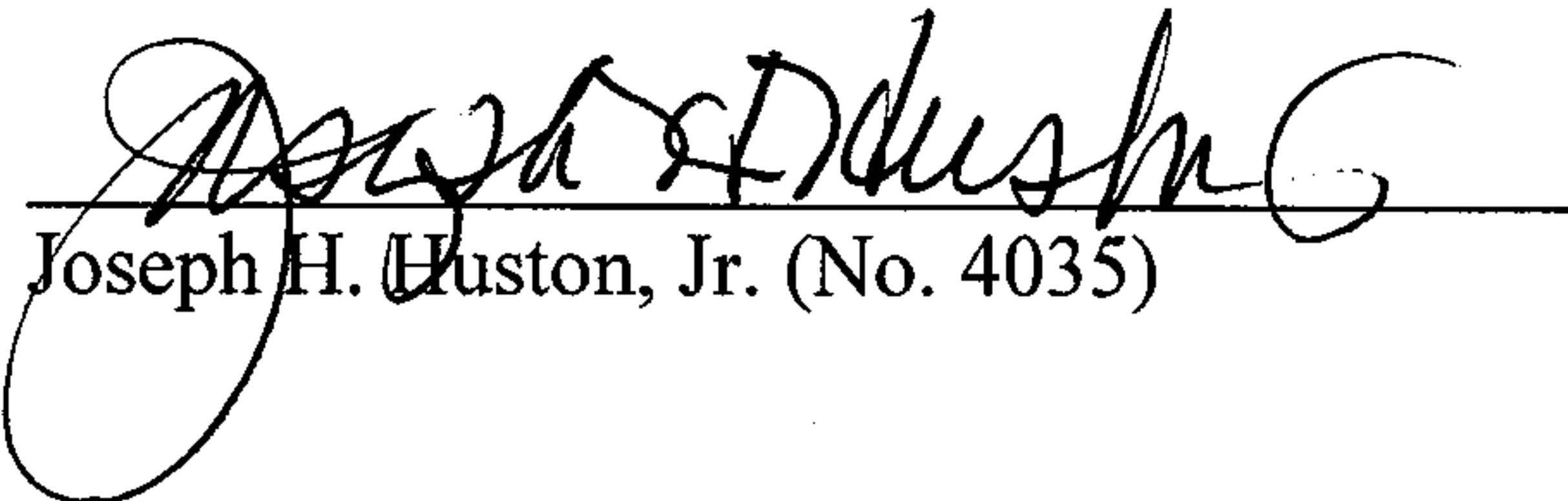
Joseph H. Huston, Jr., hereby certifies that on 2nd day of January, true and correct copies of the *Comments of Washington Gas Energy Services, Inc.* were served upon the parties listed below via first class mail, postage prepaid.

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